The Oakland Press BUSINESS April

GM boosts Barton-

April 19, 1981

By DON VOGEL
Of The Oakland Press

OAK PARK — Although the company was well-known in general construction circles, the Pontiac Silverdome vaulted Barton-Malow into the public limelight and General Motors Corp. has helped keep it there.

Completion of the $55 million stadium within budget and on schedule in 1975 was a practically unheard of accomplishment. Until then, the stadium building business was noted for substantial cost overruns and lengthy completion delays. The fete gained Barton-Malow national media recognition.

But GM has been responsible for the recent mushrooming of business.

"You might say that GM has escalated our business handsomely," understates Ben C. Maibach III, who became president and chief operating officer of the 57-year-old company April 1.

In February 1980 the company set a goal for the year of $250 million in new construction management and general contracting business compared with $168 million the previous year. Because of the shaky economy, Barton-Malow officials discovered plenty of skeptics, including Aetna Insurance which has been its long-time bonding company.

By the end of the year, Barton-Malow silenced all with contracts for more than $1 billion in business. The big boost came from being awarded general contracting jobs for GM assembly plants in Orion Township and Missouri, each worth about $400 million.

"By becoming involved at the very beginning, we can input our expertise ..."
— Ben C. Maibach Jr.

It is the largest general contracting firm in Michigan and one of the top 20 in the United States.

"Just because we're pursuing GM business didn't mean we backed away from our original goal — not including GM, we contracted for $255 million," Maibach III of Farmington Hills points out. "Much of our work is repeat business which speaks for itself." His father, Ben C. Maibach Jr. of Redford Township, is chairman and chief executive officer.

Among 1981 contracts is another of about $400 million for the new GM assembly plant in Poletown on the Detroit-Hamtramck border and another of an undisclosed amount for the renovation of the existing GM plant near Kansas City, Mo. A major hospital addition also is in the works.

Barton-Malow is the general contractor and, through a consortium, one of the developers of the $127 million downtown Pontiac Plan currently involving two office buildings and a parking deck.

Nearing completion is the $53 million Metrodome

Ben C. Maibach III
Oakland Press photo

GM construction boosts Barton-Malow business

(Continued from A-13)

including Maibach Jr. and Harold Butler. Maibach and Wilkening purchased Butler's holdings in 1964.

Like his father, Maibach III started with the company 16 years ago as a laborer and moved up through the ranks. A civil engineering graduate of Michigan State University, he was named a vice president in 1973 and executive vice president in 1976.

The construction management concept pioneered by Barton-Malow calls for joining with the owner and architect-engineer at the onset of a project rather than waiting to bid on general construction specifications.

"By becoming involved at the very beginning, we can input our expertise — from construction to the actual operating equipment needed — regarding estimated costs, feasibility, practicability, labor relations and time factors," explains Maibach Jr. "This interfacing became necessary because of increased sophistication in the construction business.

"It provides a checks and balances situation for the project. The timetable can be moved up because construction can get under way with each phase handled as it comes up rather than waiting for an entire package to be specked before building starts. This provides for flexibility and much closer cost controls."

As general contractor, Barton-Malow oversees the construction including hiring subcontractors.

Although Barton-Malow has been fully involved in construction management the last 10 years, its first effort was in the mid-1960s with the Ford Woodhaven stamping plant. The proposed plans called for a 2.6 million square-foot facility which would be the largest in the world at that time.

"Ford called us in to ask our opinion without promising anything," says Ben Maibach Jr. "They wanted the plant done in a hurry, but it was late in the year. We burned the midnight oil going over the preliminary plans and decided they had to start pouring the concrete footings and flooring immediately or they would have to wait until spring. We told them how the concrete could be protected over the winter and how the steel could be added.

"They told us to go ahead with the concrete without committing anything more to us. We eventually completed the project in 10½ months. They were in production in August in the front part while we were finishing the back part."

Barton-Malow entered the Minnesota stadium project ahead of the construction management phase by being hired as a consultant on site selection. The other work, including general contractor, followed.

Much of the company's success with the construction management concept is a combination of stored computer data and employee know-how and experience because of low turnover, among key administrators and field personnel.

They have an average of 15 years with the company, with several specializing in specific phases of not only construction, but in types of structures such as those for health care.

Barton-Malow was the first company in its field 30 years ago, according to Ben Maibach Jr., to begin an employee profit sharing program.

Retirements have resulted in all six vice presidents being promoted to their positions in the last five years. Executive Vice President and Treasurer Mark Bahr is the chief financial officer and was elevated to his current post April 1.

"This employee dedication and loyalty has given us the necessary experience to overcome the problems that usually develop when there is a top management transition," Ben Maibach Jr. "We've had periods of these, in 1950, 1955, 1960, 1976 and now the latest. There has been only one year (1963) when we lost money and that didn't have anything to do with changes in management."

Because of federal income tax law considerations involving large shareholders of privately-held corporations, Maibach Jr. seriously considered offers from two large national construction companies and one foreign concern that wanted to buy Barton-Malow. He also looked into taking the company public.

"These were very tempting situations," he concedes, "but we decided to stay private."

Because it is private, profits are not made public. But he does point out that when he joined the company in 1938 its net worth was $41,459 and it paid corporate income taxes of $58.37.

Forty-three years later, Barton-Malow has more than $2 billion under contract.